

PROVINCE OF SASKATCHEWAN



10-11

ANNUAL REPORT

**SASKATCHEWAN TEACHERS'
SUPERANNUATION
COMMISSION**

Superannuation
Dental



Table of Contents

Letter of Transmittal.....	2
Message from the Chairperson	5
Profile	6
Teachers' Superannuation Commission.....	7
Teachers' Superannuation Plan	21
Teachers' Disability Plan	22
Teachers' Dental Plan	23
Management Report, 2011	24
Actuary's Opinion.....	25
Auditor's Report	26
Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability....	27
Statement of Changes in Net Assets Available for Benefits.....	28
Statement of Changes in Accrued Pension Benefits.....	29
Notes to the Financial Statements.....	30
Investment Schedules	45

This annual report is available in electronic format at www.stsc.gov.sk.ca.

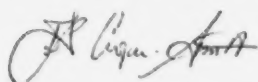
Letter of Transmittal

The Honourable Donna Harpauer
Minister in Charge
Teachers' Superannuation Commission

Madam:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers' Superannuation and Disability Benefits Act* for the year ending June 30, 2011 and *The Teachers' Dental Plan Act* for the period ending December 31, 2010.

Respectfully submitted,



Dr. Derwyn Crozier-Smith
Chairperson

2010 – 2011 Annual Report

The Saskatchewan Teachers' Superannuation Commission
129 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Eighty-first Annual Report with respect to
*The Teachers' Superannuation and Disability
Benefits Act* for the Year Ended June 30, 2011 and

Twenty-sixth Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2010

(This page intentionally left blank)

Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2010-11 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

The following are some highlights of Commission achievements for 2010-11:

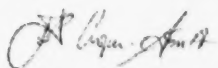
The financial markets throughout 2010-11 were heavily impacted by world events such as the Japanese earthquake and political unrest in Middle Eastern countries. Investor confidence was shaken with concerns over slower than expected growth, sovereign debt in Europe and weakening credit quality of US government debt. Despite these challenges and weak markets, long term investment objectives are being met. The 10 year investment return for the Fund is 6.6%, which is an added value of 1.3% over the portfolio's benchmark. Expectations are optimistic for growth in the economy, but at a slower pace than first thought.

The Commission remains committed to good governance practices. For example, one of the Commission's responsibilities is to identify and assess risks to the teacher pension and benefit plans. The Commission used its risk assessment and management plan to conduct an assessment of each of the plans. The risk assessment document was updated accordingly. Annual Reviews are also done on the Commission's strategic plan, Investment Policy & Objective Statement and governance manual. Another governance document that is reviewed is the Commission's communication plan. This review resulted in the adoption of an expanded communication plan that contains the Commission's goals and objectives for communicating with members and its stakeholders.

During 2010-11, the Commission met with its investment consultant and investment manager to discuss the long term investment objectives of the Teachers' Superannuation Plan given its status as a closed pension plan. Through these discussions, the Commission has decided to undertake a comprehensive review of its investment strategy with an optimization study of its asset mix to determine if it remains appropriate given the closed nature of the plan. The optimization study will commence in 2011-12 and will examine the degree of risk to which the investment portfolio is exposed.

To monitor the growing liabilities of the fund, the Commission will conduct an actuarial valuation of the Plan for the two year period ending June 30, 2011. This valuation will provide an updated snapshot of the unfunded liability that exists within the Teachers' Superannuation Plan.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership. The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan, the school divisions and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.



Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers' Superannuation Commission (TSC, the Commission) is established under *The Teachers' Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers' Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF).

The Teachers' Superannuation and Disability Benefits Act is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers' Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2011, the TSF has actuarial net assets available for benefits of \$0.849 billion, actuarial accrued pension benefits of \$5.422 billion, and an unfunded liability of \$4.573 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance

Mission, mandate and objectives	7	Commission Independence	16
Commission member background	8	Investment performance	18
Commission member attendance	8	Responsibility for financial statements	24
Commission member role and responsibilities	9	Actuary's opinion	25
Commission strategic plan: key functions, objectives and actions	9	Auditor's report	26

Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers' Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund

- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the service carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

Governance

The Commission reviewed its governance manual that is posted on the website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and monitoring of administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers' Superannuation and Disability Benefits Act*, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister

- A Chairperson is nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Mr. Daryl Nordick was nominated for re-appointment to the Commission by the STF. An Order-in Council approved Mr. Nordick's re-appointment and his new five-year term became effective October 20, 2010.

Dr. Derwyn Crozier-Smith was nominated by the six members of the Commission for re-appointment as Chairperson. An Order-in Council approved Dr. Crozier-Smith's re-appointment and his new five-year term became effective May 18, 2011.

Commission members as at June 30, 2011 with background credentials are:

Derwyn Crozier-Smith, B.Ed., B. A., M.Ed., Ph.D. Chairperson Former STF General Secretary, Former STF Executive Assistant	
Brian Smith, B.A., M.ES Assistant Deputy Minister Ministry of Finance	Daryl Nordick, B.Ed., B.A., P.G.D., M.Ed. Executive Assistant Saskatchewan Teachers' Federation
Dawn Court, CMA Director, Financial Planning and Management Ministry of Education	Murray Wall, B.Ed., B.Sc., M.Ed. Executive Assistant Saskatchewan Teachers' Federation
Clint Repski, B.Admin, CA Director, Financial Services Ministry of Education	Shirley Humphries, B.Sc., B.Ed., M.Ed., Ph.D., CEBS Executive Assistant Saskatchewan Teachers' Federation

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	6 of 7	May 18, 2016
Brian Smith	6 of 7	October 22, 2012
Daryl Nordick	7 of 7	October 20, 2015
Murray Wall	7 of 7	July 1, 2014
Clint Repski	6 of 7	August 20, 2013
Shirley Humphries	7 of 7	February 1, 2012
Dawn Court	4 of 7	December 2, 2014

Commission member role and responsibilities

It is the collective responsibility of the members of the Commission to:

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers' Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister of Finance

Commission Strategic Plan:

Key Functions, Objectives and Actions

To fulfill its statutory obligations and to address challenges and opportunities, the Commission updated its Strategic Plan in December 2010. The Strategic Plan contemplates a number of risks identified in the Risk Assessment and Management Plan. The Strategic Plan outlines four key functions:

1. Governance
2. Administration

3. Member Services
4. Affiliate Services

Each Key Function involves a number of Strategic Objectives that the Commission and its Executive Director review and revise on an annual basis in accordance with the TSC's governance manual. These Strategic Objectives indicate where the TSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various Strategic Actions that the Commission will do to carry out the TSC's purpose of providing appropriate pension, long-term disability, dental and group life insurance benefits to relevant Saskatchewan members.

The application of the Strategic Plan is designed to highlight and communicate the nature of the services provided by the TSC and is intended to maintain the focus on activities that best address relevant risks and ensure statutory obligations are being met. The Strategic Plan is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e. risks, communication, information systems) and facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Commission Strategic Plan: Key Functions, Objectives and Actions

1. Governance

The Commission's governance processes:

- Ensure the Commission carries out its purposes as set out in relevant legislation for the: Teachers' Superannuation Plan, Disability Benefits Plan, Dental Plan, and Group Life Insurance Plan;
- Exhibit leadership in fulfillment of fiduciary duty;
- Establish TSC policies; and
- Provide an operational and governance framework; communicate and report on it.

Strategic Objective	Strategic Action
Monitor, evaluate and report on the effectiveness of the TSC's governance structures ensuring compliance with relevant legislation and policies.	<ul style="list-style-type: none">➤ The Commission follows an annual planning calendar that is part of its Strategic Plan;➤ At its annual planning meeting in December 2010, the Commission reviewed, revised and approved its Strategic Plan for 2010-11;➤ The Commission reviewed, revised and approved amendments to its Governance Manual at its January 2011 meeting;➤ As part of its governance process, Commission members completed self-assessments and submitted signed conflict of interest declarations;➤ The Commission met with its plan actuary to review the actuarial method and assumptions to be used for the actuarial valuation of the Teachers' Superannuation Plan and Teachers' Disability Benefits Plan to be conducted as at June 30, 2011; and➤ In April 2011, the Commission reviewed its Investment Policy and Objective Statement to ensure the clarity of its policies and reflects industry best practices.
Encourage and foster a shared understanding of the TSC's governance structure and organizational processes within government, teacher membership and associated agencies.	<ul style="list-style-type: none">➤ The Commission maintains regular communication with the Ministries of Education and Finance with respect to the funding requirements from the General Revenue Fund for the superannuation, disability and benefit plans;

Encourage innovation in the identification and analysis of ways to add value and manage risks.

- The Commission tables an annual report that outlines the activities of the TSC and its governance for the Teachers' Superannuation Plan, Teachers' Disability Benefits Plan and Teachers' Dental Plan. The annual report is widely distributed and is accessible on the TSC website for all interested parties;
- The Commission also tables a separate annual report on the activities of the Teachers' Group Life Insurance Plan; and
- Two newsletters are mailed on an annual basis. One newsletter is for the active members in the plan and the other is targeted towards the superannuated members.
- The Commission received multiple educational presentations throughout 2010-11. Sessions included State Street Securities Lending program, conversion options available for the Teachers' Group Life Insurance Plan and investing in Canadian Equity Small Cap asset class;
- The Commission met with its private equity investment manager to discuss the investment performance of its two private equity funds. Topics discussed included investment strategy, market conditions with respect to private equity acquisitions and divestments and social consciences when considering investment opportunities;
- At its December 2010 meeting, the Commission reviewed and revised its Risk Assessment and Management Plan to identify key risks and how to manage those risks; and
- The Commission met with its investment consultant and plan fund manager to discuss a study that would focus on the optimization of its asset mix to evaluate and determine an asset mix strategy for de-risking the Fund.

2. Administration

The Teachers' Superannuation Commission's Administration;

- Provides support for the provision of pension allowances, disability, dental and group life insurance benefits to teachers in accordance with legislation;
- Maintains and safeguards the TSC's assets directly and indirectly through agents and advisors;
- Supports the Commission and government agencies as requested;
- Implements Commission policies and directives;
- Adds value and manages risks associated with the TSC's business portfolio; and
- Enriches and develops the TSC's human resources.

Strategic Objective	Strategic Action
Ensure effective operation of the TSC's governance structure in accordance with legislation and policies.	<ul style="list-style-type: none">➤ At all meetings, the Commission receives an updated plan activity chart that allows the Commission to effectively monitor the ongoing activities of the Commission and TSC Administration to ensure action items are completed.
Establish and implement effective ways to carry out the TSC's Key Functions and Strategic Objectives.	<ul style="list-style-type: none">➤ At their annual planning meeting in December 2010, the Commission refined its strategic plans after approving a revised risk assessment and management plan;➤ In October 2010, the Commission evaluated the performance of its agents and advisors to whom it has delegated certain responsibilities. The Executive Director contacted each agent and advisor and provided a copy of their performance evaluation;➤ On a quarterly basis, the Commission met with the plan fund manager, Greystone Managed Investments, and investment consultant, Aon Hewitt, to review the performance of the investment returns as it compares to benchmarks;➤ The Commission met with the private equity fund manager, GE Asset Management, to monitor the International Private Equity investment portfolios;➤ The Commission and TSC staff attended various educational sessions in 2010-11;

Provide effective oversight of the administrative operations of the TSC.

- Along with its information technology service provider, the Commission maintains an information technology plan for disaster recovery that integrates with a business continuity plan for its information systems;
 - In March 2011, the Commission adopted an expanded Communication Plan. The enhanced Communication Plan is aligned with the overall Strategic Plan and TSC Governance Manual; and
 - The Commission maintains and reviews an effective Risk Assessment & Management Plan.
-
- The Commission receives regular updates on the progress towards fulfilling the recommendations made by the Provincial Auditor of Saskatchewan; and
 - The Commission receives quarterly financial reports on the financial operation of the TSC as well as all pension and benefit plans under administration.

3. Member Services

The TSC acknowledges the importance of service to teachers. For member services the TSC will:

- Assist/Enable teachers to understand the options available to them respecting their pension, disability benefits, dental and group life insurance coverage;
- Support teachers through timely, responsive and appropriate communication; and
- Render services with personalized care and attention, with integrity, fairness and efficiency.

Strategic Objective	Strategic Action
Identify and assess performance measurement against relevant service standards.	<ul style="list-style-type: none">➤ The TSC Staff provide care and attention to the quality of service provided to teachers for all plans under administration;➤ Management regularly reviews its policies and procedures to ensure it is meeting its statutory requirements for the teacher pension and benefit plans;➤ The TSC staff collaborate with the insurance carrier to implement the most efficient processes to administer the benefit plans;and➤ Administration meets with the insurance carrier to review service standards and claim turn around times.
Ensure continuity and consistency of service received.	<ul style="list-style-type: none">➤ The TSC has implemented procedures and processes for cross-training to maintain high quality service and ensure adequate segregation of duties to mitigate risk to superannuation and benefit plan monies.

4. Affiliate Services

The TSC interacts with a number of affiliate parties when delivering services to teachers. For affiliate services the TSC will:

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business Officials (SASBO), League of Education Administrators, Directors and Superintendents (LEADS), etc.); and
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers.

Strategic Objective	Strategic Action
Seek collaboration and initiate activities that increase service to membership or add value and minimize risk to teachers or the people of Saskatchewan.	<ul style="list-style-type: none">➤ The TSC Administration staff attends STF sponsored retirement planning seminars and provides pension projections for seminar participants;➤ Management met with the STF to discuss communication strategies for the teacher benefits plans to better serve the teachers of Saskatchewan;➤ The TSC staff communicate regularly with school divisions to continue the efficiency of remitting teacher contributions for the superannuation and group life insurance plans; and➤ Maintain an open dialogue with the STS to best serve the needs of superannuated teachers.

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team consisting of 12.9 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. The Commission conducts performance evaluation of management against established objectives.

The \$1.5 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, commuted value payments, and actuarial present value for the purpose of transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon Hewitt.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. Greystone Managed Investments Inc. is responsible for managing the assets with the exception of private equity managed by GE Asset Management.

State Street Corporation, the investment custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Aon Hewitt also assists the Commission as an investment advisor by monitoring performance of the investment managers. Reports and presentations are provided to Commission members quarterly.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions bi-annually and does so in consultation with the actuary. The 2009 valuation, and current extrapolation to June 30, 2011, assumes the interest rate for valuation purposes to be 5.1% per annum for 2011, 4.5% per annum for the next 9 years, 4.35% per annum for the next 10 years, and 4.25% per annum thereafter. The phased declining interest rate represents the increasing mix of implicit public sector debt (which has a lower cost) versus pension assets in relation to the funding status of the pension liabilities. The financial statements in this report are based on an extrapolation of the June 30, 2009 valuation results. The total unfunded liability as at June 30, 2011 is \$4.573 billion.

The legal obligation to pay pensions to the teachers of Saskatchewan in accordance with the provisions of *The Teachers' Superannuation and Disability Benefits Act* rests with the government of Saskatchewan.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Corporation, custodian of the investments on behalf of the Plan. Custodial fees of \$68,202 (2010 - \$64,868) and \$193,576 (2010 - \$190,632) for brokerage fees were paid to State Street Corporation for 2011. Greystone Managed Investments Inc. is responsible for investing the funds. Investment fees paid to Greystone Managed Investments Inc. for 2011 were \$2,075,291 (2010 - \$2,268,306). Investment management fees for private equity paid to GE Asset Management for 2011 were \$948,744 (2010 - \$321,701). State Street Corporation is also the custodian for the pooled fund investments on behalf of Greystone Managed Investments Inc. and its sub-advisors Goldman Sachs Asset Management and Hansberger Global Investors.

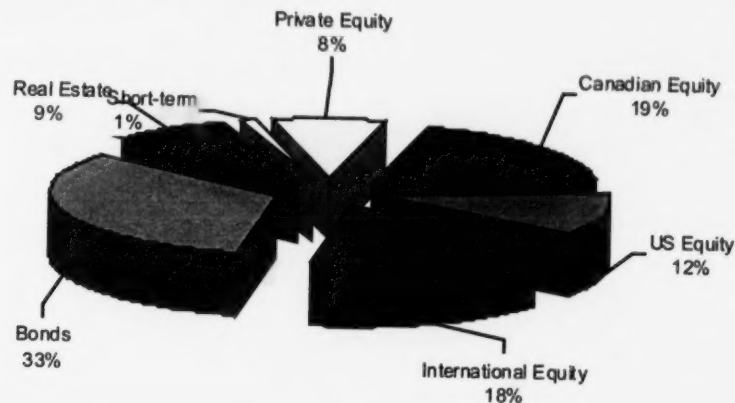
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the website.

Short-term and long-term objectives for investment performance are outlined in the IP&OS, and active investment management has been chosen to achieve these results. The short-term objective is to achieve a total fund return in three out of four years of 1% above the 91-day Treasury Bill return. The relative long-term objective is to achieve a total rate of return 10% greater than the respective benchmark portfolio return for the respective fund.

IP&OS asset mix guidelines for the TSF as at June 30, 2011

	Minimum %	Maximum %
Canadian Equities, Large Cap	10	25
Canadian Equities, Small Cap	0	10
Total Canadian Equities	10	35
U.S. Equities, Large Cap (Unhedged)	0	21
International Equities (Unhedged)	0	30
Total Foreign Equities	10	35
Private Equity	0	7
Total Equities	30	60
Nominal Bonds and Short Term	30	60
Real Return Bonds	0	5
Total Fixed Income	30	60
Real Estate	0	12

TSF portfolio asset mix at June 30, 2011



TSF Rates of Return – Periods to June 30, 2011

Asset class	1 Year		4 Years		10 Years	
	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	25.8	20.9	1.6	1.8	10.2	8.1
U.S. Equity	20.9	18.7	-2.0	-3.4	-0.9	-1.8
International Equity	18.4	18.4	-5.7	-6.4	0.8	-3.1
Bonds	5.7	4.7	7.0	6.3	6.9	6.4
Real Estate	12.0	n/a	8.0	n/a	13.4	n/a
Total Fund	14.8	14.5	3.1	2.3	6.6	5.8

In meeting with its investment consultant, the Commission reviews its IP&OS annually. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, upgrades to the administration software took place to ensure the underlying operating systems are actively supported by the various providers, and to permit increases in capacity and web-accessibility in the future. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

As part of governance processes, the Commission adopted a risk assessment and management plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value. The following are potential risks that could adversely affect the operation of the Plan:

- Risk of loss associated with non-compliance with laws, rules, regulations, prescribed practices or ethical standards within jurisdiction of operation
- Risks arising from inability to implement appropriate business plans, strategies, decision-making, resource allocation and inability to adapt to changes in the business environment
- Risk of direct or indirect loss resulting from the inadequate or failed internal processes, people, system or from external events and
- Risk associated with direct or indirect loss resulting from market events and investment related profiles

The Commission reviews and updates its risk assessment and management plan on an annual basis.

Communication

Timely and transparent communications are an essential element of good pension governance. The Commission strives to achieve effective communication with its teacher members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Life Insurance, Disability, Reciprocal Transfers, and personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Life Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Recent annual reports, superannuate and annual statement letters
- Contact information
- Governance manual
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers' Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2011	2010
Active Members	1,211	1,499
Inactive Members	4,410	4,583
Pensioners/Survivors	11,217	11,023
Disability Recipients	197	240
July 1 Retirements	190	257
Total Members	17,225	17,602

From July 1, 2010 to June 30, 2011 a total of 416 (2010 - 422) new allowances were granted.

On January 1, 2011 a Cost of Living Allowance increase of 1.3% (2010 - 0.3%) was applied to pension allowances and disability benefits.

Investment earnings of -1.33% (2010 - 2.20%) were credited to teachers in the Teachers' Superannuation Fund. These earnings include only 25% of the current period change in fair values of investments and 25% of each of the

previous 3 years' change in fair values (including both realized and unrealized gains and losses) in accordance with the policy established for administrative purposes by the Commission.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

The investment earnings of 11.9% (2010 - 8.1%) were credited to the Voluntary Contributions Fund. There are 114 members (2010 - 124) with contributions in the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

The Teachers' Superannuation Commission administers the Teachers' Group Life Insurance Plan for active and superannuated teachers. An annual report for activities of the group life insurance plan will be tabled under separate cover for 2010-11.

Teachers' Disability Benefits Plan

Disability benefits are available when a teacher is physically or mentally incapacitated and unable to teach. All payments are a charge on and payable from the General Revenue Fund of the Province of Saskatchewan, pursuant to Section 38(2) of *The Teachers' Superannuation and Disability Benefits Act*.

Eligibility

Teachers who participate in The Teachers' Superannuation Plan are eligible for benefits from this Plan. The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

Medical evidence is required from two physicians verifying the disability. Ongoing eligibility for benefits is confirmed by periodic medical reviews.

Teachers who are partially disabled and teaching on a part-time basis are entitled to benefits in proportion to the non-teaching time.

A teacher's disability benefit ceases on the earliest of:

- (a) the commencement of a pension allowance; At June 30, 2011, 190 teachers (2010 – 240) were in receipt of disability benefits from the Plan. Teachers are also encouraged to apply
- (b) the attainment of age 65 by the teacher; and
- (c) the death of the teacher.

for disability benefits from the Canada Pension Plan. If benefits are not payable from the Canada Pension Plan, the amount payable by the Teachers' Disability Benefits Plan is increased accordingly.

Highlights

As at June 30	2011	2010
New Applications	15	28
Medical reviews	166	206
Return to teaching	7	11
Commenced Superannuation Allowance	50	33
Deceased	1	9

At each meeting, the Commission receives new disability applications, grants benefits to the teachers who meet the eligibility requirements and sets dates for follow-up medical reviews. Administration reviews subsequent medical reports for teachers already approved for benefits and submits a report to the Commission for approval of continued benefits. During the year, the Plan paid disability benefits of \$4.4 million (2010 - \$5.2 million).

Valuation

The most recent valuation was performed at June 30, 2009 and extrapolated to June 30, 2011. The total unfunded liability as at June 30, 2011 is \$18.65 million.

Teachers' Dental Plan

The Teachers' Dental Plan was implemented effective January 1, 1986 for Saskatchewan teachers and is a collectively bargained benefit. In accordance with *The Teachers' Dental Plan Act*, the Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the dental plan. The Teachers' Dental Plan is a benefit provided to all eligible teachers and their families for dental care promoting health and wellness. The intent of the plan is to promote good dental health by reducing costs for preventative, routine and major restorative dental work. Teachers with regular or temporary contracts are eligible for dental coverage as well as their spouse and dependants. Dependents 21 years of age to the age of 26 continue to be eligible for coverage provided they are in full-time attendance at an educational institution. Teachers receiving disability benefits under the STF Income Continuance Plan and/or the Teachers' Disability Benefits Plan are covered under the Plan.

Dental Coverage

The Plan provides Saskatchewan teachers and their dependants with coverage for Preventive, Routine and Major Restorative dental services. It also provides orthodontic services for dependent children only.

Level I – Preventive Services – 100% of the eligible charge.

Level II – Basic and Routine Services – 85% of the eligible charge.

Level III – Major Restorative Services – 60% of the eligible charge.

Level IV – Orthodontic Services – 50% of the eligible charge to the maximum of

\$2,000 per child per lifetime. (Dependent children only)

Insurance Carrier

The Government of Saskatchewan and the STF mutually agree upon the insurance carrier to provide administrative services. The dental plan is administered by Sun Life Assurance Company of Canada on an Administrative Services Only (ASO) basis under Group Policy # 25273. Teachers can electronically submit or mail claims directly to Sun Life for processing. Dental forms can be downloaded from the internet on the website

www.stsc.gov.sk.ca/forms/ . Sun Life can be contacted at their toll free number 1-800-361-6212 or online at www.sunlife.ca.

Highlights

For the year ending December 31, 2010, Sun Life processed 46,800 (2009 - 50,195) dental claims.

For the year ending December 31, 2010, the government paid \$9,703,471 (2009 - \$9,697,500) in dental benefits and administrative costs.

Dental claim forms and additional information on the dental plan regarding costs, benefits after termination, pre-treatment estimates, coordination of benefits, maximum reimbursement levels, dependent coverage, how to make a claim, fee changes, etc., are available on-line at www.stsc.gov.sk.ca/dental/ .

Teachers' Superannuation Commission Management Report, 2011

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

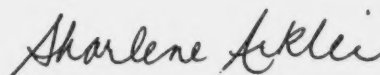
The accrued pension benefits and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2009 valuation and the extrapolation of the valuation results to June 30, 2011 appear on page 25.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 26.

The financial statements have been examined and approved by the Commission.



Doug Volk, BA, PPAC
Executive Director



Sharlene Arklie, CGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 19, 2011

Actuary's Opinion

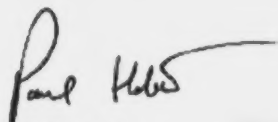
Aon Consulting was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan (the "Plan") as at June 30, 2009. Aon Consulting was further retained to prepare an extrapolation of the valuation results to June 30, 2011 for inclusion in the Annual Report with respect to *The Teachers' Superannuation and Disability Benefits Act* for the Year Ended June 30, 2011.

The valuation and extrapolation of the Plan's actuarial assets and liabilities were based on:

- Membership and asset data provided by the Commission as at June 30, 2009;
- Financial Statements as at June 30, 2011 provided by the Commission;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in my opinion these assumptions are reasonable when considering the purposes of the valuation and extrapolation, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

I have tested the data for reasonableness and consistency with prior valuations and in my opinion the data is sufficient and reliable for the purposes of the valuation and the extrapolation. I also believe that the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate when considering the purposes of the valuation and extrapolation. My opinions have been given, and the valuation and extrapolation have been performed in accordance with accepted actuarial practice in Canada.



Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

October 19, 2011

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Teachers' Superannuation Plan, which comprise the statement of net assets available for benefits and accrued pension benefits and unfunded liability as at June 30, 2011, and the statements of changes in net assets available for benefits, and statement of changes in accrued pension benefits for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

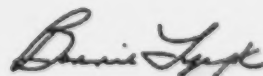
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Teachers' Superannuation Plan as at June 30, 2011, and the changes in the net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
October 19, 2011

Bonnie Lysyk, MBA, CA
Provincial Auditor

Teachers' Superannuation Plan

Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability

Statement 1

As at June 30

(\$ 000s)	2011			2010		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	\$ 372	\$ -	\$ 372	\$ 344	\$ -	\$ 344
Due from General Revenue Fund (Note 3)	94	14	108	107	16	123
Accrued investment income	2,253	-	2,253	2,526	-	2,526
Investments (Note 4):						
Bonds and debentures	273,563	-	273,563	315,806	-	315,806
Pooled Funds	296,451	3,820	300,271	329,008	3,682	332,690
Equities	184,518	-	184,518	198,963	-	198,963
Real estate	6	-	6	7,855	-	7,855
Private equity	69,496	-	69,496	61,209	-	61,209
Short-term	2,568	-	2,568	25,045	-	25,045
	<u>829,321</u>	<u>3,834</u>	<u>833,155</u>	<u>940,863</u>	<u>3,698</u>	<u>944,561</u>
Contributions receivable:						
Teachers	797	-	797	1,177	-	1,177
General Revenue Fund	62,461	-	62,461	57,752	-	57,752
	<u>63,258</u>	<u>-</u>	<u>63,258</u>	<u>58,929</u>	<u>-</u>	<u>58,929</u>
Total assets	<u>\$ 892,579</u>	<u>\$ 3,834</u>	<u>\$ 896,413</u>	<u>\$ 999,792</u>	<u>\$ 3,698</u>	<u>\$ 1,003,490</u>
LIABILITIES						
Accounts payable	\$ 583	\$ -	\$ 583	\$ 787	\$ 1	\$ 788
Total liabilities	<u>583</u>	<u>-</u>	<u>583</u>	<u>787</u>	<u>1</u>	<u>788</u>
Net assets available for benefits	891,996	3,834	895,830	999,005	3,697	1,002,702
Actuarial asset value adjustment	(42,879)	-	(42,879)	137,924	-	137,924
Actuarial value of net assets available for benefits	849,117	3,834	852,951	1,136,929	3,697	1,140,626
Actuarial accrued pension benefits (Statement 3)	5,422,452	3,834	5,426,286	5,142,858	3,697	5,146,555
Unfunded Liability	<u>\$ 4,573,335</u>	<u>\$ -</u>	<u>\$ 4,573,335</u>	<u>\$ 4,005,929</u>	<u>\$ -</u>	<u>\$ 4,005,929</u>

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan

Statement of Changes in Net Assets Available for Benefits

Statement 2

Year Ended June 30

(\$ 000s)	2011			2010		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment Income:						
Interest	\$ 13,224	\$ -	\$ 13,224	\$ 19,417	\$ -	\$ 19,417
Dividends	6,082	-	6,082	7,006	-	7,006
Pooled Fund Distributions	4,782	139	4,921	7,310	125	7,435
Total investment income	24,088	139	24,227	33,733	125	33,858
Increase in fair value of investments	\$ 95,225	\$ 276	\$ 95,501	\$ 39,771	\$ 155	\$ 39,926
Contributions:						
General Revenue Fund other contributions	88,896	-	88,896	55,073	-	55,073
Teachers	6,219	18	6,237	8,182	29	8,211
General Revenue Fund matching contributions	6,205	-	6,205	8,164	-	8,164
Other transfers and contributions	1,383	-	1,383	3,082	-	3,082
Total contributions	102,703	18	102,721	74,501	29	74,530
Total increase in assets	\$ 222,016	\$ 433	\$ 222,449	\$ 148,005	\$ 309	\$ 148,314
DECREASE IN ASSETS:						
Allowances to superannuates	\$ 319,747	\$ -	\$ 319,747	\$ 309,026	\$ -	\$ 309,026
Refunds and transfers	5,039	291	5,330	6,264	173	6,437
Investment expenses (Note 7)	3,286	5	3,291	2,845	5	2,850
Marriage breakdown payments	953	-	953	1,620	-	1,620
Total decrease in assets	\$ 329,025	\$ 296	\$ 329,321	\$ 319,755	\$ 178	\$ 319,933
(Decrease) increase in net assets	(107,009)	137	(106,872)	(171,750)	131	(171,619)
Net assets available for benefits, beginning of year	999,005	3,697	1,002,702	1,170,755	3,566	1,174,321
Net assets available for benefits, end of year	\$ 891,996	\$ 3,834	\$ 895,830	\$ 999,005	\$ 3,697	\$ 1,002,702

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Accrued Pension Benefits

Statement 3

Year Ended June 30

(\$ 000s)	2011	2010
	Superannuation Fund (Note 8)	Superannuation Fund (Note 8)
Accrued pension benefits, beginning of year	\$ 5,142,858	\$ 5,243,240
INCREASE IN ACCRUED PENSION BENEFITS:		
Interest on accrued benefits	254,795	256,226
Benefits accrued	31,997	42,096
Impact of assumption changes	318,541	(47,843)
Impact of plan experience	-	(33,952)
	605,333	216,527
DECREASE IN ACCRUED PENSION BENEFITS:		
Benefits paid	325,739	316,909
Accrued pension benefits, end of year	\$ 5,422,452	\$ 5,142,858

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan Notes to the Financial Statements

June 30, 2011

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The following description is a summary only. For more complete information, reference should be made to *The Teachers' Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at June 30, 2011. Short-term investments are recorded at fair value. Real estate and private equity are recorded at fair value as estimated by independent appraisals. The fair value of the investments approximates the market value.

b) Actuarial Asset Value Adjustment

The actuarial asset value adjustment represents the difference between the market value and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

c) Future Accounting Pronouncements

In April 2010, the Canadian Accounting Standards Board (ACSB) of the Canadian Institute of Chartered Accountants approved Section 4600 – *Pension Plans* as Part IV of the Handbook. The new section is based on the existing Section 4100, *Pensions* in Part V of the Handbook with the same substantive modifications including increased disclosures. The standards will apply for annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Plan is currently evaluating the impact that these new standards will have on the financial statements.

d) Plan Status

The plan is a registered pension plan as defined by *The Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to the Canada Revenue Agency.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2011 was 0.96% (2010 – 0.29%).

4. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian, foreign and private equities, pooled funds, money market securities, bonds and real estate pooled funds.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost at the time of acquisition of the Fund's portfolio.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 0.95% to 1.30% (2010 – 0.20% to 0.90%) and a weighted average term to maturity of 57 days (2010 - 48 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits for this Fund its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described on the following page.

	Years to Maturity	2011			2010		
		Fair Value	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
		(\$000's)			(\$000's)		
Federal Bonds							
Government of Canada	<1	\$ 13,951	1.05	1.25	\$ -	-	-
	1-5	39,877	1.73	2.16	59,755	1.30	2.67
	6-10	26,479	2.36	2.70	12,701	3.35	3.72
	16-20	-	-	-	6,538	3.60	5.75
	20+	10,436	4.02	4.66	28,188	3.83	4.68
Provincial & Provincially Guaranteed Bonds	1-5	4,707	1.91	2.62	5,338	2.43	5.07
	6-10	21,730	3.80	5.87	31,091	3.94	4.37
Other Provinces	11-15	4,199	4.02	4.43	12,131	4.10	9.15
	16-20	11,278	4.23	6.09	8,422	4.40	5.28
	20+	21,748	4.49	5.21	19,527	4.81	5.24
Saskatchewan	6-10	2,106	3.25	4.28	1,492	3.40	4.65
	20+	6,194	4.18	6.00	7,120	4.50	6.07
Municipal	6-10	8,435	3.31	4.87	10,633	3.76	4.84
Corporate Bonds	1-5	39,417	2.83	3.97	50,643	2.73	4.62
	6-10	39,054	3.47	4.82	34,724	3.52	5.20
	11-15	7,041	4.07	5.39	7,356	4.26	5.71
	16-20	853	4.78	5.56	2,009	5.28	7.17
	20+	16,058	5.10	5.67	18,138	5.04	5.92
		<u>\$ 273,563</u>			<u>\$ 315,806</u>		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2011	2010
		(\$000's)	
Common Shares			
	Canadian	\$ 114,791	\$ 134,066
	Foreign	69,727	64,897
		<u>184,518</u>	<u>198,963</u>
Private Equity		69,496	61,209
Total Equities		<u>\$ 254,014</u>	<u>\$ 260,172</u>

The Plan's investment policy limits this Fund from any holding to represent no more than 10% of the outstanding shares of the issuing corporation.

The investment policy allows up to 35% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2011, the Plan held 8.4% (2010 – 6.9%) in foreign equities and 22.1% (2010 – 20.9%) in pooled foreign equity funds.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 2.7% (2010 – 2.82%).

Pooled Funds

The Plan holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Plan unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2011	2010	2011	2010	2011	2010	2011	2010
	(\$000's)				(\$000's)		(\$000's)	
Greystone EAFE Plus Fund	18,818	23,609	10.63	10.59	\$ 147,027	\$ 159,429	\$ 28,498	\$ (2,347)
Greystone US Strategic Growth Fund	1,179	1,370	14.71	22.24	11,824	12,164	1,659	263
Greystone US Strategic Value Fund	2,753	3,215	14.76	21.14	23,651	24,434	3,417	1,195
Greystone Canadian Small Cap Fund	3,544	5,709	15.05	18.74	40,367	46,618	18,150	16,796
Greystone Real Estate Fund	985	1,282	2.72	4.45	73,582	86,363	7,316	2,038
					<u>\$ 296,451</u>	<u>\$ 329,008</u>	<u>\$ 59,040</u>	<u>\$ 17,945</u>

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as equity index future contracts for managing its equity portfolio and forward contracts for cash management. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices.

Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

Real Estate

Investments in real estate consist of interests in Canadian property as well as unit holdings within a real estate pooled fund.

Private Equity

The Plan committed US\$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US\$437 million in total partnership commitments. One pension trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2010 - 8.2%) of the committed and invested funds. As of June 30, 2011, the total value of the GEAM International Private Equity Fund, L.P. was \$403 million US (2010 - \$315 million US) and the Plan's share was \$31.3 million CDN (2010 - \$29.5 million CDN).

Effective September 30, 2008, the Plan committed an additional US \$37.5 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund II, LP. The Teachers' Superannuation Fund has 11.0% (2010 – Nil) of the committed and invested funds. As of June 30, 2011, the total value of the GEAM International Private Equity Fund II, L.P. was \$22.1 million US (2010 - Nil) and the Plan's share was \$2.3 million CDN (2010 - Nil).

Determination of Fair Value

The determination of fair value for both the Teachers' Superannuation Fund and the Voluntary Contributions Fund is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are not based on observable market data.

The Plan presently holds equities and short term investments that are classified as level 1, bonds and pooled funds are level 2 with the exclusion of the real estate pooled fund and real estate which are classified as level 3.

The following table classifies the Plan's financial instruments within a fair value hierarchy:

Teachers Superannuation Fund (\$000's)

	Level 1		Level 2		Level 3		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Bonds and debentures	\$ -	\$ -	\$ 273,563	\$315,806	\$ -	\$ -	\$273,563	\$315,806
Pooled funds	-	-	222,869	242,645	73,582	86,363	296,451	329,008
Equities	184,518	198,963	-	-	-	-	184,518	198,963
Real estate	-	-	-	-	6	7,855	6	7,855
Private equity	-	-	-	-	69,496	61,209	69,496	61,209
Short - term	2,568	25,045	-	-	-	-	2,568	25,045
Total	\$187,086	\$224,008	\$ 496,432	\$558,451	\$143,084	\$155,427	\$ 826,602	\$ 937,886

Fair value measurements using level 3 inputs:

Teachers Superannuation Fund (\$000's)

	Real Estate		Real Estate Pooled		Greystone Private Equity		GE Private Equity		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Balance at July 1	\$7,855	\$113,891	\$86,363	\$42,149	\$31,703	\$29,100	\$29,506	\$28,306	\$155,427	\$213,446
Purchases	-	1,713	-	96,540	-	-	2,446	-	2,446	98,253
Sales	(8,644)	(103,831)	(20,097)	(54,525)	-	-	-	-	(28,741)	(158,356)
Net transfers in (out)	-	-	-	-	-	-	(1,933)	-	(1,933)	-
Gains (Losses):										
Realized	2,626	38,799	537	(413)	-	-	(125)	-	3,038	38,386
Unrealized	(1,831)	(42,717)	6,779	2,612	4,158	2,603	3,741	1,200	12,847	(36,302)
Balance at June 30	\$6	\$7,855	\$73,582	\$86,363	\$35,861	\$31,703	\$33,635	\$29,506	\$143,084	\$155,427

Realized and unrealized gains and losses appear in the Increase in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

The Voluntary Contributions Fund holds pooled funds which are classified as level 2 and are described below.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2011	2010	2011	2010	2011	2010	2011	2010
	(\$000's)				(\$000's)		(\$000's)	
Greystone EAFE Plus Fund	27	29	0.02	0.01	\$209	\$195	\$36	\$(5)
Greystone Canadian Fixed Income Fund	173	174	0.34	0.38	1,825	1,853	79	145
Greystone Canadian Equity Fund	49	54	0.06	0.07	1,235	1,147	255	142
Greystone US Equity Fund	21	20	0.13	0.14	224	177	41	(2)
Greystone Money Market Fund	33	31	0.13	0.13	327	310	3	-
					<u>\$3,820</u>	<u>\$3,682</u>	<u>\$414</u>	<u>\$280</u>

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as

part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was -1.33% (2010 – 2.20%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment gains less investment expenses of \$408,363 to teachers' accounts and for 2010 allocated investment gains less investment expenses of \$275,155.

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees are:

	2011			2010		
	Superannuation Fund (\$ 000's)	Voluntary Contributions Fund (\$ 000's)	Total (\$ 000's)	Superannuation Fund (\$ 000's)	Voluntary Contributions Fund (\$ 000's)	Total (\$ 000's)
Custodial fees	\$ 68	\$ 2	\$ 70	\$ 64	\$ 1	\$ 65
Brokerage fees	194	-	194	191	-	191
Investment and asset management fees	3,024	3	3,027	2,590	4	2,594
	<u>\$ 3,286</u>	<u>\$ 5</u>	<u>\$ 3,291</u>	<u>\$ 2,845</u>	<u>\$ 5</u>	<u>\$ 2,850</u>

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2010 – 223,811 common shares) representing 14.16% of the total shares outstanding in GMI (2010 – 13.80%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of \$8,300,286 (2010 - \$8,612,153) and interest income including change in fair value of \$667,889 (2010 – \$818,483).

8. Actuarial Valuation - Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Aon Consulting prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2009 and an extrapolation was made to June 30, 2010 and June 30, 2011 respectively.

The pension liability is based on a number of assumptions about future events including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2011	2010
▪ salary increases	3.5% thereafter	3.5% thereafter
▪ interest rate	5.1% / year for 2011 4.5% / year for next 9 years 4.35% / year for next 10 years, and 4.25% / year thereafter	5.1% / year for next 5 years 4.9% / year for next 14 years, and 4.8% / year thereafter
▪ inflation	2.5%	2.5%
▪ mortality table	UP94 generational	UP94 projected to 2020

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	3.5%-3.25%	5.5%-5.25%	1.5%	3.5%
Increase (decrease) (\$000s)	\$(15,882)	\$16,496	\$697,495	\$(571,742)	\$151,539	\$(143,148)

Assumption changes arise when the assumptions change from the previous valuation/extrapolation to the current valuation/extrapolation. In the June 30, 2011 extrapolation, the changes in assumptions increased the accrued pension benefit by \$318,541,000. The changes in assumptions include an increase of \$309,828,000 due to a change in the discount rate assumption and an increase of \$8,713,000 due to a change in the mortality rate.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2011 annual return%	Rolling four-year average annual return%
Teachers' Superannuation Fund ¹	14.8%	3.1%
Target rate of return ²	14.5%	2.3%
Voluntary Contributions Fund ¹	11.5%	3.6%
Target rate of return ²	11.5%	4.2%

¹ The annual returns are before deducting investment expenses

² The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices such as S&P/TSX Capped Composite Index, BMO Small Cap Index, S&P 500, MSCI EAFE, DEX Universe Bond Index, Investment Property Databank and 91-Day T-Bills.

10. Financial Risk Management

The nature of the Plan's operations results in a statement of net assets available for benefits, accrued pension benefits and unfunded liability that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plans investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income, real estate and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Commission reviews regular compliance reports from both its investment managers and custodian as to their compliance with the investment policy.

a) Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources – accounts receivable and certain investments. The maximum credit risk to which it is exposed at June 30, 2011 is limited to the carrying value of the financial assets summarized below:

	2011 Carrying Value (\$000's)	2010 Carrying Value (\$000's)
Teachers' Superannuation Fund		
Cash	372	344
Accounts receivable	63,258	58,929
Fixed income investments	276,131	340,850
Due from the General Revenue Fund	94	107
Voluntary Contributions Fund		
Fixed income investments (pooled fund)	2,152	2,163
Due from General Revenue Fund	14	16

Fixed income investments include short-term investments and bonds and debentures. Accounts receivable are primarily made up of employee and employer contributions receivable and accrued investment income. Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally annually or semi-annually.

For both the Teachers' Superannuation Fund and the Voluntary Contributions Fund, credit risk within investments is primarily related to short-term investments and bonds and debentures. The Commission limits the credit risk by dealing with issuers that are considered to be high quality (minimum rating of BBB for bonds and debentures and R-1 for short-term investments) along with an investment policy that limits the maximum exposure with respect to any one issuer. The credit ratings used to describe the bonds and debentures are below:

Teachers' Superannuation Fund

Credit Rating	2011		2010	
	Fair Values (\$000's)	% Portfolio	Fair Values (\$000's)	% Portfolio
AAA	\$ 107,273	39.2	\$ 131,827	41.7
AA	89,459	32.7	95,841	30.4
A	59,184	21.6	71,938	22.8
BBB	17,647	6.5	16,200	5.1
Total	\$ 273,563	100.0	\$ 315,806	100.0

Voluntary Contributions Fund

Credit Rating	2011		2010	
	Fair Values (\$000's)	% Portfolio	Fair Values (\$000's)	% Portfolio
AAA	\$ 750	41.1	\$ 779	42.1
AA	585	32.1	556	30.0
A	377	20.6	421	22.7
BBB	113	6.2	97	5.2
Total	\$ 1,825	100.0	\$ 1,853	100.0

With bonds and debentures, there are no holdings from one issuer, other than the Government of Canada or a Canadian province, over 4.1% of the market value of the combined bonds and debentures and short term investment portfolios. No one holding of a province is over 4.93% of the market value of the investment portfolio.

b) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds.

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates in its short term investments and bonds and debentures. Interest rate risk is managed by investing in bonds and debentures with varying durations.

It is estimated that a 100 basis point change in interest rates would change net assets available for benefits and unfunded liability by \$17.7 million at June 30, 2011; representing 6.4% of the \$276.1 million of fixed income investments.

The Voluntary Contribution Fund is exposed to changes in interest rates in the fixed income pooled fund. It is estimated that a 100 basis point change in interest rates would change net assets available for benefits by \$0.1 million at June 30, 2011; representing 6.4% of the \$2.2 million of fixed income investments.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. Exposure to both U.S. equities and non-North American equities is limited to a maximum 35% of the market value of the total investment portfolio. At June 30, 2011, the Plan's exposure to U.S. currencies was 16.8% (2010 – 14.1%) and exposure to EAFE currencies was 17.8% (2010 – 17.0%).

At June 30, 2011, a 10% change in the Canadian Dollar versus the U.S. Dollar exchange rate would result in approximately a \$13.9 million change in the net assets available for benefits and unfunded liability. A 10% change in the Canadian Dollar versus the EAFE currencies would result in approximately a \$14.7 million change in the net assets available for benefits and unfunded liability.

Equity Price Risk

The Teachers' Superannuation Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities and equity pooled funds comprise 53.6% (2010 – 50.1%) of the market value of the Fund's total investments. The investment policy of both the Teachers' Superannuation Fund and the Voluntary Contributions Fund limits the Plan's equity exposure to 60% of the Plan's total investments and any holding to represent no more than 10% of the outstanding shares of the issuing corporation.

For the Voluntary Contributions Fund, equity pooled funds comprise 43.7% (2010 – 41.3%) of the market value of the Fund's total investments.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and unfunded liability based on changes in the Plan's benchmark indices at June 30, 2011:

	Change in thousands of \$	
	10% increase	10% decrease
Teachers' Superannuation Fund		
S&P/TSX Composite Index	\$ 19,102	\$ (19,102)
S&P 500 Index	10,520	(10,520)
MSCI EAFE Index	14,703	(14,703)
Voluntary Contributions Fund		
S&P/TSX Composite Index	\$ 124	\$ (124)
S&P 500 Index	22	(22)
MSCI EAFE Index	21	(21)

Securities Collateral

At June 30, 2011, the Plan has not borrowed any securities, therefore no Plan assets have been deposited or pledged as collateral or margin. As part of the Plan's securities lending strategy, cash and non-cash collateral has been pledged as security to the Plan by various counterparties for securities out on loan to the counterparties. At June 30, 2011, cash collateral of \$65.7 million (2010 - \$50.4 million) and non-cash collateral of \$46.4 million (2010 - \$60.2 million) was pledged to the Plan.

For loans of Canadian fixed income securities and Canadian equities collateralized by cash, the cash collateral must have a market value of not less than 102% of the market value of the loaned securities. For loans of Canadian fixed income securities and Canadian equities collateralized by non-cash collateral, the collateral must have a market value of not less than 105% of the market value of the loaned securities.

The Voluntary Contributions Fund does not have a securities lending strategy.

Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size. The real estate portfolio currently consists of \$6 thousand (2010 - \$7.8 million) in real estate and \$73.6 million (2010 - \$86.4 million) in real estate pooled funds.

The Voluntary Contributions Fund does not have real estate holdings.

c) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the GRF as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting its asset mix. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2041. The cash required will be funded from the proceeds of disposals of investments for the period 2011 to 2031.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2009 valuation. All amounts shown are based on actual dollar forecasts.

	Cash inflows			Cash Outflows	Cash Required
	Teachers Contributions	GRF Contributions	Investment Income		
	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)
2011-12	4,834	159,888	51,112	339,351	123,517
2012-13	3,837	200,235	44,031	345,699	97,596
2013-14	2,999	221,418	38,129	349,471	86,925
2014-15	2,297	234,707	32,728	351,735	82,003
2015-16	1,727	252,739	27,842	352,968	70,660
Total within 5 years	\$ 15,694	\$ 1,068,987	\$ 193,842	\$ 1,739,224	\$ 460,701
Total 6 to 10 years	\$ 3,339	\$ 1,431,978	\$ 87,637	\$ 1,738,539	\$ 215,585
Total 11 to 30 years	\$ 228	\$ 5,068,548	\$ 60,477	\$ 5,313,321	\$ 184,068

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 4. The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

13. Subsequent Event

The fair market value of the investments held by the Plan declined by approximately \$36.9 million in the three months following the year end due to the downturn in the worldwide financial markets. The Plan expects this change in market value to be temporary in nature.

Investment Schedules

SCHEDULE 1

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2011		2010	
	Total Fair Value (\$000's)	Accrued Interest (\$000's)	Total Fair Value (\$000's)	Accrued Interest (\$000's)
Canada and Canada Guaranteed	\$ 90,743	\$ 179	\$ 107,183	\$ 433
Provincial and Provincially Guaranteed	71,962	517	85,121	779
Urban Municipalities And Hospitals	8,435	43	10,633	57
Corporate Debentures	102,423	1,239	112,869	1,016
Corporate Shares	184,518	268	198,963	232
Pooled Funds	296,451	-	329,008	-
Insured Mortgages - Principal and Real Estate	6	-	7,855	-
Short Term	2,568	7	25,045	9
Private Equity	69,496	-	61,209	-
Total	\$ 826,602	\$ 2,253	\$ 937,886	\$ 2,526

SCHEDULE 2**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
DEBENTURES:			
Government of Canada	Dec. 01, 2011	1.25	24,464,848
Government of Canada	Mar. 01, 2013	1.75	2,846,981
Government of Canada	Dec. 01, 2015	3.00	22,755,817
Government of Canada	Jun. 01, 2018	4.25	2,268,468
Government of Canada	Jun. 01, 2020	3.50	23,831,459
Government of Canada	Jun. 01, 2021	3.25	32,686,221
Government of Canada	Jun. 01, 2029	5.75	13,395,848
Government of Canada	Jun. 01, 2037	5.00	7,773,132
Government of Canada	Jun. 01, 2041	4.00	9,830,880
407 International Inc.	Jun. 16, 2015	3.88	286,743
407 International Inc.	Jun. 16, 2017	3.87	2,352,294
Bank of Montreal	Jun. 10, 2016	3.49	1,319,000
Bank of Montreal	Jul. 08, 2021	3.98	3,928,414
Bank of Nova Scotia	Jun. 08, 2017	4.10	2,884,848
Bank of Nova Scotia Halifax	Nov. 18, 2014	3.35	961,101
Bank of Nova Scotia Halifax	Feb. 22, 2016	3.61	6,157,565
Bank of Nova Scotia Halifax	Mar. 27, 2018	1.00	1,324,426
Bell Canada	Mar. 16, 2018	4.40	1,439,790
Bell Canada	May 19, 2021	4.95	1,044,164
Cadillac Fairview Financial	Jan. 19, 2016	3.24	1,485,926
Cadillac Fairview Financial	Jan. 25, 2016	4.31	2,180,723
Caisse Central Desjardin	Oct. 05, 2017	3.50	1,228,478
Canada Housing Trust	Sep. 15, 2010	3.55	2,409,992
Canada Housing Trust	Sep. 15, 2011	4.60	18,007,931
Canada Housing Trust	Jun. 15, 2012	4.00	3,461,927
Canada Housing Trust	Dec. 15, 2014	2.75	552,934
Canada Housing Trust	Mar. 15, 2015	1.00	4,199,308
Canada Housing Trust	Jun. 15, 2015	3.15	12,327,597
Canada Housing Trust	Dec. 15, 2015	2.75	16,002,535
Canada Housing Trust	Mar. 15, 2016	1.00	2,455,589
Canada Housing Trust	Mar. 15, 2016	1.00	16,075,775
Canada Housing Trust	Sep. 15, 2016	1.00	9,493,000
Canada Housing Trust	Mar. 15, 2020	3.75	2,683,150
Canada Post Corp.	Jul. 16, 2025	4.08	564,684
Canada Post Corp.	Jul. 16, 2040	4.36	1,506,247
Canadian Imperial Bank	Nov. 19, 2014	3.30	1,837,626
Canadian Imperial Bank	Jan. 14, 2016	3.40	6,625,076
Canadian Imperial Bank	Jul. 14, 2017	3.95	5,017,954
Capital Desjardins Inc.	Apr. 01, 2019	1.00	523,787
CDP Financial	Jul. 15, 2020	4.60	566,855
CU Inc.	Nov. 18, 2050	4.95	761,000
Enbridge Gas Distribution	Nov. 22, 2050	4.95	1,106,693
Enersource Corp.	Apr. 29, 2041	5.30	988,000
General Elec Cap Canada	Feb. 08, 2018	4.40	571,113

SCHEDULE 2**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Great West Lifeco Inc.	Aug. 13, 2020	4.65	2,014,848
Great West Lifeco Inc.	Jun. 21, 2067	1.00	823,332
Greater Toronto Airport	Apr. 17, 2018	5.26	333,665
Greater Toronto Airport	Feb. 25, 2041	5.30	1,472,558
Hydro One Inc.	Mar. 03, 2016	4.64	1,290,213
Integrated Team SJHC	Nov. 30, 2042	5.95	288,000
Inter Pipeline Fund	Feb. 02, 2021	4.97	968,000
John Deere Credit Inc.	Jan. 14, 2013	2.30	1,017,247
Lower Mattagami Energy	May 18, 2021	4.33	676,000
Met Life Funding	Jan. 12, 2016	3.85	1,526,894
National Bank of Canada	Apr. 26, 2016	3.58	1,805,000
Nav Canada	Feb. 18, 2021	4.40	589,000
Pembina Pipeline Corp.	Mar. 29, 2021	4.89	563,000
Province of Alberta	May 27, 2016	1.00	2,034,000
Province of British Columbia	Dec. 18, 2019	4.10	1,419,026
Province of British Columbia	Dec. 18, 2020	3.70	6,323,334
Province of British Columbia	Jun. 18, 2029	5.70	2,745,884
Province of British Columbia	Jun. 18, 2031	6.35	3,123,164
Province of British Columbia	Jun. 18, 2042	4.30	2,344,233
Province of Manitoba	Jun. 03, 2020	4.15	2,682,764
Province of Manitoba	Sep. 05, 2025	4.40	1,859,677
Province of Manitoba	Mar. 05, 2038	4.60	2,051,401
Province of Manitoba	Mar. 05, 2038	4.10	2,382,430
Province of New Brunswick	Jun. 02, 2041	4.50	965,905
Province of Newfoundland	Oct. 17, 2033	5.60	818,992
Province of Newfoundland	Apr. 17, 2037	4.50	1,163,078
Province of Nova Scotia	Jun. 01, 2041	4.70	1,065,558
Province of Ontario	Jun. 02, 2020	4.20	3,418,798
Province of Ontario	Jun. 02, 2021	4.00	3,523,325
Province of Ontario	Jun. 02, 2031	6.20	3,811,573
Province of Ontario	Jun. 02, 2037	4.70	1,315,843
Province of Quebec	Dec. 01, 2020	4.50	8,075,599
Province of Quebec	Jun. 01, 2032	6.25	2,943,889
Province of Saskatchewan	Jul. 28, 2020	3.90	997,130
PSP Capital Inc.	Dec. 09, 2013	4.57	206,636
Rogers Communications Inc.	Sep. 29, 2020	4.70	612,763
Rogers Communications Inc.	Aug. 25, 2040	6.11	1,270,779
Rogers Communications Inc.	Mar. 22, 2041	6.56	666,000
Royal Bank of Canada	Jan. 11, 2016	3.36	9,377,033
Royal Bank of Canada	Jan. 25, 2017	3.66	2,253,431
Royal Bank of Canada	Mar. 30, 2018	3.77	2,903,652
South Coast Bri Col Tra	Nov. 02, 2020	3.80	1,299,038
Telus Corp.	Jul. 23, 2020	5.05	294,789
Thomas Reuters Corp.	Sep. 30, 2020	4.35	3,672,736

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Tim Hortons Inc.	Jun. 01, 2017	4.20	1,147,503
Toronto Dominion Bank	Feb. 13, 2013	4.85	3,016,190
Toronto Dominion Bank	Nov. 02, 2020	1.00	1,267,000
Union Gas Ltd.	Jul. 23, 2040	5.20	465,744
SHARES:			
3M Co.		--	114,832
Aflac		--	388,734
Agrium Inc.		--	491,184
Altria Group Inc.		--	1,911,794
Amerisourcebergen Corp.		--	2,120,931
Apple Inc.		--	484,769
Bank of Montreal		--	697,098
Bank of New York Mellon Corp.		--	312,227
Bank of Nova Scotia		--	1,137,154
Baytex Energy Corp.		--	710,973
Baytex Energy Trust Units		--	1,174,875
BCE Inc.		--	84,783
Becton Dickinson and Co.		--	9,185
Black Pearl Resources Inc.		--	1,126,464
Bombardier Inc.		--	52,314
Borgwarner Inc.		--	2,255,588
CAE Inc.		--	76,172
Canadian Natural Resources		--	291,051
Canadian Pacific Railway Ltd.		--	293,667
Canadian Tire Corp.		--	1,412,387
Celestica Inc.		--	260,242
Cenovus Energy Inc.		--	62,188
CGI Group Inc.		--	576,954
Check Point Software Tech		--	1,757,216
Chevron Corp.		--	2,654,872
Church & Dwight Co. Inc.		--	109,566
Cisco Systems Inc.		--	13,040
Cooper Industries PLC		--	472,375
Crescent Point Energy Corp.		--	41,296
Eldorado Gold Corp.		--	668,510
Encana Corp.		--	71,244
Express Scripts Inc.		--	924,408
Finning International Inc.		--	2,222,285
First Majestic Silver		--	860,580
First Quantum Minerals Ltd.		--	840,620
Fossil Inc.		--	1,032,581
Franklin Resources Inc.		--	364,570
Freeport McMoran Copper		--	466,226
GE Asset Management Inc. - PE		--	2,446,089
General Mills		--	11,063

SCHEDULE 2**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Gildan Activewear Inc.		--	369,588
Goldcorp. Inc.		--	350,176
Google Inc.		--	799,841
Greystone Can Small Cap Fund		--	516,811
Greystone EAFE Plus		--	3,765,580
Grestone US Strategic Growth		--	148,159
Greystone US Strategic Value		--	351,379
Gymboree Corp.		--	114,726
Halliburton Co.		--	477,414
Hewlett Packard Co.		--	2,078,724
Honeywell International Inc.		--	668,671
IGM Financial Inc.		--	306,635
Intact Financial Corp.		--	239,707
Intact Financial Corp.		--	243,780
Intel Corp.		--	141,334
Intel Business Machines Corp.		--	142,846
J P Morgan Chase & Co.		--	2,125,249
Johnson Controls Inc.		--	292,682
Kinross Gold Corp.		--	693,557
Magna International Inc.		--	226,786
Manulife Financial Corp.		--	5,017,962
McDermott Intl. Inc.		--	444,173
McDonald S Corp.		--	106,955
Meg Energy Corp.		--	2,241,219
Metro Inc.		--	77,206
Microsoft Corp.		--	548,757
Mosaic Co./The		--	1,066,107
National Bank of Canada		--	86,427
National Oilwell Varco Inc.		--	1,696,168
Nike Inc.		--	283,298
Occidental Petroleum Corp.		--	385,974
Open Text Corp.		--	76,765
Oracle Corp.		--	1,134,906
Pacific Rubiales Energy Corp.		--	32,693
Parker Hannifin Corp.		--	1,644,673
Pepsico Inc.		--	7,424
Petrobakken Energy Ltd.		--	41,506
Petrobank Energy & Resources		--	83,613
Petrominerals Ltd.		--	605,376
Pfizer Inc.		--	1,814,483
Potash Corp of Saskatchewan		--	5,891,891
Power Corp of Canada		--	238,104
Praxair Inc.		--	474,502
Precision Drilling Corp.		--	1,709,424
Quadra FNX Mining Ltd.		--	42,289

SCHEDULE 2**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Red Back Mining Inc.		--	115,289
Research in Motion		--	883,692
Rogers communications		--	3,103,087
Saputo Inc.		--	104,354
Semafo Inc.		--	1,500,181
Sino Forest Corporation		--	433,723
Suncor Energy Inc.		--	1,473,138
Talisman Energy Inc.		--	1,347,371
Teck Resources Ltd.		--	974,190
Thomson Reuters Corp.		--	294,485
Tim Hortons Inc.		--	37,147
Time Warner Cable		--	145,823
TJX Companies Inc.		--	493,048
Toronto Dominion Bank		--	1,863,096
Trican Well Service Ltd.		--	1,383,738
Ultra Petroleum Corp.		--	8,295
Union Pacific Corp.		--	333,581
UnitedHealth Group Inc.		--	853,815
United Rentals Inc.		--	1,245,163
Uranium One Inc.		--	1,408,744
US Bancorp		--	646,611
Valeant Pharmaceuticals		--	2,438,385
Varian Medical Systems Inc.		--	9,804
Vermillion Energy Inc.		--	1,180,618
Wal Mart Stores Inc.		--	13,173
Walter Energy Inc.		--	137,473
Yum Brands Inc.		--	314,433
SHORT TERM:		--	<u>599,521,497</u>
Total			<u>\$ 1,064,144,151</u>

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
DEBENTURES:			
Government of Canada	Dec. 01, 2011	1.25	10,516,560
Government of Canada	Dec. 01, 2015	3.00	21,158,103
Government of Canada	Jun.01, 2019	3.75	2,799,326
Government of Canada	Jun. 01, 2020	3.50	24,762,999
Government of Canada	Jun. 01, 2021	3.25	20,659,299
Government of Canada	Jun. 01, 2029	5.75	20,073,199
Government of Canada	Jun. 01, 2037	5.00	18,907,925
Government of Canada	Jun. 01, 2041	4.00	16,262,686
407 International Inc.	Jan. 31, 2011	5.00	1,519,060
407 International Inc.	Jun. 16, 2020	4.99	684,017
Alberta Capital Finance Authority	Dec. 25, 2025	4.45	627,660
Alliance Pipeline	Jun. 30, 2023	7.18	17,093
Bank of Montreal	Jun. 10, 2011	3.93	1,000,000
Bank of Montreal	Jun. 10, 2016	3.49	1,318,525
Bank of Montreal	Mar. 28, 2023	1.00	1,577,264
Bank of Montreal Que.	Apr. 27, 2015	3.93	3,053,291
Bank of Nova Scotia	Jun. 08, 2017	4.10	1,823,243
Bank of Nova Scotia	Oct. 03, 2018	1.00	1,366,121
Bank of Nova Scotia Halifax	Nov. 18, 2014	3.35	6,387,050
Bank of Nova Scotia Halifax	Feb. 22, 2016	3.61	510,500
Bank of Nova Scotia Halifax	Mar. 27, 2018	1.00	1,283,534
Bell Aliant Regional Comm.	Sep. 26, 2011	4.72	1,232,505
Bell Canada	Jun. 30, 2014	4.85	1,386,145
Borealis Infrastructure	May 03, 2011	6.27	2,394,720
Brit Col Muni Fin Auth.	Dec. 01, 2017	4.80	1,307,376
Brit Col Muni Fin Auth.	Apr. 23, 2018	4.60	1,085,200
British Columbia Ferry Services	May 27, 2014	5.74	436,240
Caisse Central Desjardn	Jun. 08, 2015	3.79	1,545,806
Caisse Central Desjardn	Oct. 05, 2017	3.50	552,653
Canada Housing Trust	Sep. 15, 2010	3.55	2,400,775
Canada Housing Trust	Sep. 15, 2011	4.60	29,269,994
Canada Housing Trust	Jun. 15, 2012	4.00	3,442,489
Canada Housing Trust	Sep. 15, 2014	1.00	4,414,643
Canada Housing Trust	Dec. 15, 2014	2.75	12,457,616
Canada Housing Trust	Mar. 15, 2015	1.00	17,868,714
Canada Housing Trust	Jun. 15, 2015	3.15	21,059,918
Canada Housing Trust	Dec. 15, 2015	2.75	8,793,633
Canada Housing Trust	Mar. 15, 2020	3.75	8,743,103
Canada Post Corp.	Jul. 16, 2025	4.08	566,198
Canada Post Corp.	Jul. 16, 2040	4.36	547,479
Canadian Imperial Bank	Nov. 19, 2014	3.30	1,589,696
Canadian Imperial Bank	Mar. 02, 2015	3.10	2,004,749
Canadian Imperial Bank	Jan.14, 2016	3.40	404,800
Canadian Imperial Bank	Jul. 14, 2017	3.95	3,424,298
Canadian Imperial Bank	Jun. 06, 2018	5.15	428,640

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Capital Desjardins Inc.	Apr. 01, 2019	1.00	525,621
CDP Financial	Jul. 15, 2020	4.60	2,244,957
CU Inc.	Nov. 18, 2050	4.95	743,421
Enbridge Gas Distribution	Nov. 22, 2050	4.95	557,241
EPCOR Utilities	Nov. 16, 2035	5.65	346,499
EPCOR Utilities	Apr. 15, 2038	6.65	367,500
Finning Intl Inc.	Jun. 01, 2018	6.02	424,831
Fortis Alberta Inc.	Oct. 31, 2034	6.22	1,043,498
GE Capital Canada Funding Co.	Jan. 17, 2017	4.55	521,750
GE Capital Canada Funding Co.	Feb. 08, 2018	4.40	571,634
GE Capital Canada Funding Co.	Oct. 22, 2037	5.73	371,433
Genesis Trust	Sep. 15, 2011	4.25	1,502,362
Glacier Credit Card Trust	Feb. 20, 2013	5.03	936,531
Great West Lifeco Fin.	Aug. 13, 2020	4.65	413,200
Great West Lifeco Inc.	Jun. 21, 2067	1.00	334,400
Greater Toronto	Dec. 06, 2013	5.89	3,543,814
Greater Toronto Airport	Apr. 17, 2018	5.26	353,446
Honda Canada Finance	May 09, 2013	5.08	703,843
Hydro One Inc.	Nov. 12, 2013	5.00	1,286,093
Hydro Quebec	Aug. 15, 2020	11.00	1,266,364
Integrated Team SJHC	Nov. 30, 2042	5.95	289,014
Investors Group Inc.	May 09, 2011	6.75	1,608,920
John Deere Credit Inc.	Apr. 20, 2012	4.80	938,335
John Deere Credit Inc.	Sep. 16, 2015	5.45	329,865
Lower Mattagami Energy	May 18, 2021	4.33	678,393
Manulife Financial Corp.	Jun. 26, 2015	5.16	1,372,741
Metropolitan Life Global Funding	Dec. 03, 2012	2.63	1,340,939
Metropolitan Life Global Funding	May 30, 2013	4.85	417,744
N 45 First Cmbs Isser Corp.	Nov. 15, 2020	5.67	744,034
National Bank of Canada	Nov. 02, 2020	1.00	337,382
NAV Canada	Feb. 18, 2021	4.40	591,079
New York Life Global Fdg	Apr. 20, 2011	4.70	1,444,667
NK Bk Nederlandse Gemeenteen	Feb. 15, 2019	4.55	1,293,418
Ontrea Inc.	Apr. 09, 2013	5.57	3,680,221
Ornge Issuer Trust	Jun. 11, 2034	5.73	660,432
Province of British Columbia	Dec. 18, 2019	4.10	6,877,718
Province of British Columbia	Dec. 18, 2020	3.70	2,386,382
Province of British Columbia	Jun. 15, 2021	4.80	1,154,798
Province of British Columbia	Aug. 19, 2022	8.75	2,194,437
Province of British Columbia	Jun. 18, 2029	5.70	4,869,868
Province of British Columbia	Jun. 18, 2042	4.30	2,299,332
Province of Manitoba	Feb. 11, 2020	4.75	4,560,704
Province of Manitoba	Jun. 03, 2020	4.15	731,828
Province of Manitoba	Mar. 05, 2038	4.60	2,011,245
Province of New Brunswick	Mar. 26, 2037	4.55	801,785
Province of Newfoundland	Apr. 17, 2037	4.50	3,008,822

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Province of Nova Scotia	Jun. 01, 2033	5.80	477,248
Province of Ontario	Mar. 08, 2017	4.30	1,318,675
Province of Ontario	Jun. 02, 2020	4.20	13,190,829
Province of Quebec	Dec. 01, 2019	4.50	9,134,416
Province of Quebec	Dec. 01, 2020	4.50	3,834,444
Province of Quebec	Dec. 01, 2036	5.75	1,261,361
Province of Saskatchewan	Sep. 05, 2017	4.65	437,520
Province of Saskatchewan	Sep. 05, 2031	6.40	1,157,700
Royal Bank of Canada	Nov. 10, 2014	3.27	1,585,461
Royal Bank of Canada	Jan. 11, 2016	3.36	1,941,217
Royal Bank of Canada	Jan. 25, 2017	3.66	5,004,847
Royal Bank of Canada	Mar. 30, 2018	3.77	2,926,313
Royal Bank of Canada	Nov. 04, 2018	5.45	533,900
Royal Bk Cda Montreal	Mar. 11, 2018	1.00	3,498,896
Royal Office Finance LP	Nov. 12, 2037	5.21	23,872
Shoppers Drug Mart	Jun. 03, 2013	4.99	426,600
South Coast Brit Col Tra	Nov. 02, 2020	3.80	1,287,585
TCHC Issuer Trust	May 11, 2037	4.88	994,850
TD Cap. TR III Secs	Dec. 29, 2049	1.00	3,094,018
Telus Corporation	Apr. 15, 2015	5.95	297,872
Thomson Reuters Corp	Mar. 31, 2016	6.00	2,310,088
Thomson Reuters Corp	Sep. 30, 2020	4.35	1,174,996
Tim Hortons Inc.	Jun. 01, 2017	4.20	416,040
Toronto Dominion Bank	Feb. 13, 2013	4.85	2,573,900
Toronto Dominion Bank	Nov. 01, 2017	1.00	351,482
Toronto Dominion Bank	Apr. 02, 2020	5.48	327,057
Toronto Dominion Bank Ont	Dec. 14, 2105	1.00	2,131,146
Transcanada Pipelines Ltd.	Feb. 05, 2026	8.29	384,264
Union Gas Ltd.	Jul. 23, 2040	5.20	478,993
Wells Fargo Fin. Canada	Nov. 03, 2014	3.97	304,187

SHARES:

3M Co.	--	950,480
Aflac	--	1,235,527
Agrium	--	1,583,659
Altria Group Inc.	--	202,914
Amerisourcebergen Corp.	--	235,915
Apple Inc.	--	832,380
Babcock & Wilcox Co.	--	675,364
Bank of Montreal	--	1,858,678
Bank of New York Mellon Corp.	--	841,383
Bank of Nova Scotia	--	2,430,102
Baytex Energy Corp.	--	115,233
Baytex Energy Trust	--	56,013
BCE Inc.	--	3,626,844
Becton Dickinson and Co.	--	1,460,760

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Best Buy Co. Inc.		--	1,435,272
Bombardier Inc.		--	2,161,518
Borgwarner Inc.		--	1,189,202
CAE Inc.		--	594,109
Canadian Natural Resources		--	3,041,874
Canadian Pacific Railway Ltd.		--	1,571,862
Canadian Tire Corp.		--	300,648
Celestica Inc.		--	477,995
Cenovus Energy Inc.		--	2,651,381
CGI Group Inc.		--	1,321,225
Chevron Corp.		--	286,238
Church & Dwight Co. Inc.		--	535,194
Cisco Systems Inc.		--	1,599,670
Cooper Industries PLC		--	329,460
Crescent Point Energy Corp.		--	974,549
Eldorado Gold Corp.		--	3,547,882
Encana Corporation		--	2,318,246
Express Scripts Inc.		--	912,695
First Quantum Minerals Ltd.		--	1,286,420
Franklin Resources Inc.		--	358,271
Freeport McMoran Copper		--	1,847,172
GEAM International Private Equity		--	1,807,718
General Mills		--	1,643,529
Gildan Activewear Inc.		--	779,798
Gilead Sciences Inc.		--	1,207,872
Goldcorp Inc.		--	2,253,772
Goldman Sachs Group Inc.		--	1,633,515
Google Inc.		--	893,220
Greystone Can Small Cap Fund		--	24,400,000
Greystone EAFE Plus		--	39,400,000
Greystone Real Estate Fund Inc.		--	20,097,000
Greystone US Strategic Growth		--	2,000,000
Greystone US Strategic Value		--	4,200,000
Gymboree Corp.		--	1,568,727
Halliburton Co.		--	907,897
Honeywell International Inc.		--	669,814
Intact Financial Corp.		--	878,082
Intel Corp.		--	400,853
Intl Business Machines Corp.		--	1,028,975
JPMorgan Chase & Co.		--	168,599
Johnson Controls Inc.		--	318,992
Kinross Gold Corp.		--	2,007,030
Lundin Mining Corp.		--	285,638
Magna International Inc.		--	2,445,902
Manulife FinancialCorp.		--	799,041

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
McDermott Intl. Inc.		--	215,475
McDonald S Corp.		--	455,836
Metro Inc.		--	566,035
Microsoft Corp.		--	2,062,593
National Bank of Canada		--	2,567,895
National Oilwell Varco Inc.		--	180,038
Nike Inc.		--	1,951,692
Occidental Petroleum Corp.		--	1,340,001
Open Text Corp.		--	582,300
Oracle Corp.		--	1,249,817
Pacific Rubiales Energy Corp.		--	2,572,158
Parker Hannifin Corp.		--	69,107
Pepsico Inc.		--	1,176,201
Petrobakken Energy Ltd.		--	1,409,769
Petrobank Energy & Resources		--	2,146,049
Petrominerales Ltd.		--	250,142
Pfizer Inc.		--	331,600
Potash Corp of Saskatchewan		--	1,663,485
Power Corp of Canada		--	3,521,521
Praxair		--	737,600
Quadra Mining Ltd.		--	2,258,132
Red Back Mining		--	873,346
Research In Motion		--	4,462,526
Rogers Communications		--	1,130,539
Royal Bank of Canada		--	7,775,095
Saputo Inc.		--	792,861
Semafo Inc.		--	205,320
Shaw Communications Inc.		--	2,074,730
Sino Forest Corporation		--	721,817
SNC Lavalin Group Inc.		--	3,271,855
Suncor Energy Inc.		--	1,800,696
Talisman Energy Inc.		--	1,899,797
Teck Resources Ltd.		--	4,608,848
Thomson Reuters Corp.		--	860,768
Tim Hortons Inc.		--	938,004
Time Warner Cable		--	600,867
TJX Companies Inc.		--	585,387
Toronto Dominion Bank		--	2,939,454
Trican Well Service Ltd.		--	229,780
Ultra Petroleum Corp.		--	1,156,722
Union Pacific Corp.		--	683,732
UnitedHealth Group Inc.		--	259,520
United Rentals Inc.		--	937,601
Uranium One Inc.		--	1,255,812

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
US Bancorp		--	286,192
Valeant Pharmaceuticals		--	752,151
Varian Medical Systems Inc.		--	1,561,972
Walmart Stores Inc.		--	1,042,292
Walter Energy Inc.		--	1,529,977
Yum Brands Inc. .		--	533,597
Brokerage Fees		--	193,477
REAL ESTATE:			
H.A. Burlington Equities Inc.		--	5,963,125
Key West		--	24,626
KS Equities Inc.		--	921,796
Tilbury Island Equities Inc.		--	1,735,191
SHORT-TERM:		--	620,952,607
TOTAL			\$ 1,270,738,533

SCHEDULE 4**TEACHERS' VOLUNTARY CONTRIBUTIONS FUND****SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2011****(UNAUDITED)**

Investments	2011		2010	
	Total Fair Value (\$000's)	Accrued Interest (\$000's)	Total Fair Value (\$000's)	Accrued Interest (\$000's)
Pooled Funds	\$ 3,820	\$ --	\$ 3,682	\$ --
Total	\$ 3,820	\$ --	\$ 3,682	\$ --

SCHEDULE 5**VOLUNTARY CONTRIBUTIONS FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	\$ 123,237
Greystone EAFE Plus Fund	4,776
Greystone US Equities Fund	21,154
Greystone Fixed Income Fund	280,522
Greystone Money Market Fund	168,397
TOTAL	\$ 598,086

SCHEDULE 6**VOLUNTARY CONTRIBUTIONS FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2011****(UNAUDITED)**

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	\$ 268,000
Greystone EAFE Plus Fund	21,000
Greystone US Equities Fund	11,000
Greystone Fixed Income Fund	283,500
Greystone Money Market Fund	151,313
TOTAL	\$ 734,813

(This page intentionally left blank)



